

## Bredehoft, Deborah

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**From:** Lloyd, David [DLloyd@tpicomposites.com]  
**Sent:** Thursday, October 17, 2013 4:28 PM  
**To:** Salisbury, Demetra  
**Cc:** becky.wehrman@gmail.com; Bredehoft, Deborah  
**Subject:** RE: TPI Iowa LLC - IAR000510156

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Hello Demetra. Thank you for the response.

We are disappointed in the penalty assessment that EPA has developed. TPI believes that this is an inappropriate assessment given the excessive detail to safety and compliance that have been incorporated into this facility since its inception and the efforts that TPI has undertaken in the past year.

- TPI has an extensive alarm/evacuation system as indicated in the documentation submitted.
- TPI has an extensive training system to alert employees of risk and the procedures to follow in an emergency.
- The "One Plan" has been significantly improved and TPI continues to make a significant investment in time and resources to continually improve the "One Plan."

Based on these efforts and all of the additional data that TPI has provided to EPA, we request that both the gravity based penalty and the multi-day penalty be established at 25% of the cell value for 16 days (\$8,150 and \$13,250, respectively) for a total penalty of \$21,390. TPI also requests that additional injunctive relief and a penalty reduction for good faith efforts and pro-active response be applied to this penalty so that the total fine amount is \$10,000.

It is TPI's policy that corporate attorneys are required to be contacted for regulatory fines in excess of \$10,000. TPI has not yet involved its legal counsel in this process and would strongly prefer that this matter be settled, but will make these arguments in court, if necessary.

In exchange for these considerations, TPI proposes to conduct a 1/2 day training exercise with local emergency responders. This proposed event will be targeted to all emergency responders in the Local Emergency Planning Commission (LEPC) area, hospitals, other industries in the area and the full emergency response community (police, fire and emergency management). As part of this event, TPI will hold a facility tour, site specific One Plan education session, an overview of RCRA Large Quantity Generator requirements with site specific compliance discussion and will end with a table top exercise outlining the steps and actions to be taken in the event of a large chemical spill. Estimated investment from TPI is anticipated as follows:

- Internal coordination/program development : 60 hours @ \$60/hr. = \$3,600
- Printed materials : 50 sets @ \$40/set = \$2,000
- Consultation: 20 hours @ \$175/hr. = \$3,500
- Internal administration/travel expenses: 40 hours @ \$22/hr. + \$1000 Travel = \$1880
- Event expenses (lunch): 50 participants @ \$10/person = \$500
- Total investment: \$11,480

The proposed penalty of \$10,000 and the training exercise expenses of \$11,480 would result in total investment of \$21,480 by TPI. We believe that this is an appropriate and fair result.



Please contact me if you require any additional information. Otherwise I will look forward to your decision.

Thank you for your consideration.

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**From:** Salisbury, Demetra [mailto:Salisbury.Demetra@epa.gov]  
**Sent:** Thursday, September 26, 2013 5:16 PM  
**To:** Lloyd, David  
**Cc:** becky.wehrman@gmail.com; Bredehoft, Deborah  
**Subject:** TPI Iowa LLC - IAR000510156

Dave,

Deb and I have now reviewed the information submitted and have discussed the points you raised with our managers.

For Count 1, EPA proposes a 25% reduction in the penalty for TPI's cooperation and good faith efforts to comply. This would bring the penalty to \$711.

For Count 2, based on the information provided, EPA will remove the allegations for "Failure to have fire control and decontamination equipment at HWSA" and certain portions of the lack of training programs. Since there were still holes in the contingency requirement, training program, and container management, EPA believes that the placement of the cell position for the gravity portion of Count 2 should remain as moderate potential for harm and moderate extent of deviation; however, we will amend the number of multi-days from 22 to 16. Further, we will lower the placement in the cell to 60% since some of the previous concerns have been mitigated. In addition, EPA proposes a 25% reduction in the penalty for TPI's cooperation and good faith efforts to comply. This will result in a revised penalty of \$26, 047.

With regard to the SEP, our management has reviewed your proposal and has stated that we could not give credit for the research unless a system is purchased. In order to move forward with the SEP we would need a workplan that discusses the following items:

- Outline what specifically is being researched and analyzed
- Provide Quote for Solvent Recovery Machine
- Anticipated Cost Savings and Reduction in Purchased Solvent
- Timeframes for research and for when they will purchase the solvent recovery machine
- Commitment to Run Machine for 6 months and provide the following data:
  - Reduction in solvent purchased
  - Cost Savings
  - Provide costs for installation
  - Final report (including proof of payment) of total cost for solvent recovery system.

I will be out of the office until Wed 2, October and will be in for the remainder of the week (unless there is a shutdown). If you have any questions on the SEP workplan, please feel free to contact Deb. If you have any questions on the revised penalty, I can set up conference call once I get back.

Thanks  
Demetra

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**From:** Lloyd, David [<mailto:DLloyd@tpicomposites.com>]  
**Sent:** Friday, August 09, 2013 6:05 PM  
**To:** Salisbury, Demetra; Bredehoft, Deborah  
**Cc:** [becky.wehrman@gmail.com](mailto:becky.wehrman@gmail.com)  
**Subject:** FW: TPI Iowa LLC - IAR000510156 Additional information

Demetra and Deborah-

Below and attached, please find the additional information that was discussed during our recent meeting. If you have any questions or require additional information please do not hesitate to contact me. Otherwise, I will plan on following up with you next week to confirm your receipt of this submission.

Thank you, Dave Lloyd

### **Response to EPA's Questions**

**History:** On June 25, 2013 TPI, Inc. met with EPA representatives Deborah Bredehoft and Demetra Salisbury in Lenexa, KS to discuss findings from a 2012 inspection conducted by a contracted EPA inspector. During that meeting, TPI presented additional information regarding hazardous waste determinations and processes conducted to demonstrate compliance with the Resource Conservation and Recovery Act. Additional questions and requests for information were presented by EPA during that meeting. This following and attached information responds to those questions and requests.

**Topic 1:** EPA had questions about why waste codes were different for what appears to be the same waste streams over a multiyear time period. The acetone solvent waste stream and the paint-related waste streams have different waste codes at different times when they are shipped for disposal. EPA also questioned if accurate hazardous waste determinations had been conducted on these waste streams given the inconsistency in the waste codes.

**TPI Response:** TPI has created the attached waste matrix (Appendix 1) which summarizes data from waste shipments since January 2012 to help answer the questions posed by EPA. The matrix identifies four hazardous waste streams generated at TPI and the hazardous waste codes associated with each waste stream that were used for manifesting and disposal for each shipment. It is important to note that all wastes at TPI have undergone hazardous waste determinations since the plant began operations and TPI has a process in place to review all new waste streams that may arise during operations.

While all wastes at TPI have been evaluated and profiled, there are inconsistencies which were identified once all of the manifests were summarized. Data from January 2012 to present indicates that there have been times when the acetone waste code (U002) has been included in the waste acetone profile. This is incorrect and should not have been listed on the profile. The waste codes applicable to the waste acetone are D001 and F003. No un-used acetone was shipped as waste so those codes were included in error.

Additionally, there were errors made on the paint-related materials waste stream. This waste stream has changed due to changes in solvent. The correct waste codes for this waste stream are D001, D035, F003 and F005. D005 was included in error. TPI assured that this was correct through analytical evaluation and shared this data with EPA in our previous meeting. At times, D035, F003 and F005 were left off of the manifest. This has been corrected. **It is important to note that these inaccuracies did not alter the way the waste was managed (through incineration with energy recovery at an EPA-permitted TSD facility) resulting in no additional risk to human health or then environment.**

TPI believes that these errors are a result of too much reliance upon the hazardous waste disposal contractor. Prior to July 2012, TPI verified the waste codes that the hazardous waste disposal contractor proposed initially, but did not continue to follow-up with the hazardous waste disposal contractor. This lack of oversight, coupled with changes in the hazardous waste disposal contractor used, led to waste code errors. These errors were corrected immediately after the

EPA inspection and TPI has implemented a much more rigorous evaluation process for hazardous waste determinations, including informing the hazardous waste disposal company that no changes to waste profiles are to be made by the contractor.

**Topic 2:** EPA had questions about the way that paint guns were cleaned and how satellite accumulation containers were identified.

**TPI Response:** TPI completed a thorough review of the paint solvent management process including an evaluation of the waste generation point and would like to offer the following additional information. As the wind turbine blades are manufactured, TPI employees use resins, paints and adhesives along with a large collection of equipment including, but not limited to, paint rollers, paint brushes, paint guns, gun nozzles, clamps and scrapers.

As the equipment is used, residual resin builds up on it requiring cleaning with solvent. At various locations throughout the plant, solvent is located in solvent holding containers. These solvent containers are manufacturing process units (MPUs) that are in use throughout operations to clean all types of equipment. Types of equipment cleaned include paint rollers, paint gun nozzles, clamps and any other “re-usable” equipment. Paint guns are also flushed with the solvent in the MPU. Although TPI is familiar with the EPA interpretation that states that spent solvent used to clean paint guns becomes waste the moment it leaves the paint gun, for TPI purposes, this is not the case.

The solvent used to clean the paint guns is collected in the MPUs and used to clean other equipment that require manual cleaning, such as the paint gun nozzles and paint mixing tools. Even after the solvent goes through the paint gun, it is a usable product. Once the solvent has been used extensively and the employee determines that it no longer has cleaning capacity, it is then deemed a waste and is placed in the satellite accumulation container. This is a conscientious effort for TPI to minimize the amount of solvent use and is part of our waste reduction production program as required by EPA.

According to RCRA online interpretation #12959 issued by EPA in 1987 (located in Appendix 2), the point at which the spent solvent leaves the MPU and enters the satellite accumulation container is the point of generation. Once the satellite accumulation container is filled to 55-gallons, it is then moved to the 90-day hazardous waste storage area. During the inspection in April 2012, the inspector identified the solvent MPU at the paint station as a satellite accumulation container and, then, made the interpretation that the container designated for satellite accumulation was actually a hazardous waste storage container located at Column 36. The inspector then noted that the words “hazardous waste” and no date was located on the container and associated violations with these findings.

The inspector was incorrect and the container located at Column 36 was a Satellite Accumulation Container. The solvent was located in an MPU. Upon becoming unusable as determined by the TPI employee, the spent solvent was placed in the satellite accumulation container located at “Column 36” in the inspector’s report. Once the Satellite Accumulation Container at Column 36 is full, it is then transported to the 90-day hazardous waste storage area. There is no 90-day hazardous waste storage area located within the operating floor of the plant. The only 90-day hazardous waste storage area is located in a separate “Haz-Store” building located outside of the manufacturing plant.

Based on this additional information and photos provided in our original meeting EPA, TPI has demonstrated that the violations associated with the container located at Column 36 should be eliminated.

**Topic 3:** EPA requested that TPI identify the satellite accumulation area locations and the emergency response equipment on the facility map.

**TPI Response:** TPI has created a separate facility map to identify the location of Emergency Response Equipment and all Satellite Accumulation Areas. This map is located in Appendix G of the “One Plan” that is provided to EPA.

**Topic 4:** EPA indicated that the facility’s Emergency Response and Training Plans were inadequate.

**TPI Response:** TPI has invested significant time and resources, estimated to be valued at \$15,000 to update the facility Emergency Response Plan, improve the Training Plan and convert them, with additional resources and information, to a "One Plan" format. The current TPI One Plan is provided to EPA as a part of this response. TPI believes that the "One Plan" is a living document that is constantly being revised and updated. As such, TPI will continue to update the One Plan as conditions at the plant change. Additional significant resources, estimated to be approximately \$5000, are anticipated to be invested to update the One Plan with any additional requests by EPA. TPI requests that the current investment and the additional planned investment, a total of \$20,000 in resources, be included as part of the injunctive relief that EPA considers when calculating penalties.

**From:** becky wehrman [<mailto:becky.wehrman@gmail.com>]  
**Sent:** Monday, July 08, 2013 9:47 PM  
**To:** [salisbury.demetra@epa.gov](mailto:salisbury.demetra@epa.gov); [bredehoft.deborah@epa.gov](mailto:bredehoft.deborah@epa.gov)  
**Cc:** Lloyd, David  
**Subject:** TPI meeting review and extension request

Demetra and Deborah-

Thanks so much for taking the time to meet with us on 6/25 to discuss the NOPF for TPI. We appreciate the opportunity to offer additional information, ask questions and suggest alternatives to the proposed penalties.

I apologize for my delay in getting this to you, but I have summarized the information that we are to supply to you as we discussed.

TPI will provide the following additional information:

1. The summary matrix of TPI shipped waste streams by manifest
2. Explanation of the paint roller/equipment cleaning process and the waste disposal in the satellite accumulation containers including the current location of SAA #36 as referred to in the initial inspection report
3. A facility map showing all safety measures (eyewash stations, evacuation routes, fire extinguishers, etc) and satellite accumulation areas.
4. A final updated contingency/emergency response plan for the facility

We are in the process of pulling all of this information together, but are running into challenges with vacation schedules and timing. Although we originally thought it would be possible to have this to you by 7/12, could we have an extension until 8/2/13 to get the information to you?

Please let me know if I have forgotten any of the information that you requested and if this extension is approved. Thanks so much for your assistance.

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**Becky Wehrman-Andersen**

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